

## **Sustainable Investment and Resource Use: Equity, Environmental Integrity, and Economic Efficiency**

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Young, M.D. (Michael Dennis). *Sustainable Investment and Resource Use: Equity, Environmental Integrity, and Economic Efficiency (Man and the Biosphere Series, Volume 9)*. Paris: UNESCO; Pearl River, NY (Formerly: Park Ridge, NJ): Parthenon Publishing Group, 1992. 176 pp. US\$65.00 ISBN 1-85070-381-7.

Degradation of the environment and depletion of the world's natural resources is a global problem facing both rich and poor nations. Future population increases, and the continued use of natural resources to meet the needs of an expanding world, place a strain on the resource base and jeopardize future sustainability of the ecosystem. Sustainable Investment and Resource Use is a study commissioned by UNESCO's Man and the Biosphere Programme to examine the use of natural resources and the components involved in resource use investment. According to Young, resource-right policies are preferable to policies based upon command and control. If resource-right systems are well-designed, the public will find a diversity of ways to invest in resource use and will adopt strategies that avoid the failures of well-intentioned government programs. The author offers alternatives to current use patterns and policy changes designed to stimulate investment in sustainable resources.

Young focuses on three policy goals - Environmental Integrity, Economic Efficiency, and Equity (the three E's). Environmental integrity involves recognition of the functions of ecosystems and responses to dynamics of change and use. Economic efficiency requires that internal and external costs be imposed upon users of the resources by taking into account the distribution of wealth, resource rights, and institutional arrangements. Equity is concerned with distribution of benefits, incomes, and profits and the tradeoffs between individual decisions and the collective impact on society.

Investments in resource use by governments or the private sector should reflect policies that enhance the protection of scarce resources and improve future prospects. Young encourages governments to adopt ecologically astute policies that will stimulate investment in resource use. By changing the way societies view their resource base and by implementation of the appropriate restraints, compromises and regulations, sustainability can be achieved and maintained. A set of thirty three prescriptions for remedying the ills of resource misuse are discussed.

Young points out that economic concepts of resource use comprise institutional arrangements and human behavior patterns that effect the production and distribution of goods and services for the society as a whole. In his view, there is a need for changes in the macroeconomic and microeconomic policies regarding resource use. In macroeconomic approaches, a country can increase the scale of economic activity and average per capita welfare through a variety of economic activities that allow the environment to accommodate population increases without depleting resource stocks or environmental quality.

Microeconomic approaches involve changes in the market structure which require users and abusers of the environment to pay for benefits and services and compensate beneficiaries of favorable environments for

costs of managing the functions, services, and attributes of a sound ecological system. Equity must be combined with ecological integrity and economic efficiency to achieve a collective impact among generations. The three E's should be integrated into a single paradigm which stresses common agreement and the interconnectedness of the systems, while preserving rights, privileges, and restrictions on all members of the society. Young gives examples of compromises required by all parties in the environmental arena by offering a holistic plan for investment in resource use. He has done a great service to the environmental debate in clearly stating the options and alternatives for optimal investment in resource use. This book is an important contribution to the global striving for environmental equity and sensibility.